



# Michigan *Office of the Auditor General* **REPORT SUMMARY**

## **Performance Audit** **Federal Cash Management Improvement Act** **Program** **Department of Treasury**

**Report Number:**  
**27-605-03**

**Released:**  
**June 2003**

*The federal Cash Management Improvement Act (CMIA) of 1990, as amended, is designed to ensure fairness between the federal and state governments with regard to the use of federal and state funds for federally mandated programs. The U.S. and Michigan Departments of Treasury have entered into an agreement to fulfill the requirements of CMIA. The agreement primarily identifies the major federal programs and their applicable funding techniques and provides for State and federal interest liabilities if the funding techniques are not followed.*

### **Audit Objectives:**

1. To assess the effectiveness of the Department's efforts as the State coordinator for the CMIA agreement and in ensuring that all applicable federal programs were included in the agreement.
2. To assess the effectiveness of the Department's procedures related to developing check clearance patterns, performing interest calculations, and submitting an annual report to the U.S. Department of Treasury.

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### **Audit Conclusions:**

1. We concluded that the Department was effective as the State coordinator for the CMIA agreement and in ensuring that all applicable federal programs were included in the agreement.
2. We concluded that the Department's procedures related to developing check clearance patterns, performing interest calculations, and submitting an annual report to the U.S. Department of Treasury were effective.

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